

A STUDY OF CONSUMPTION OF CONSUTMER DURABLES IN RURAL INDIA WITH SPECIFIC REFERENCE TO BACKWARD STATES (PART 2)

Amit Banerji, Maulana Azad National Institute of Technology, Bhopal
Mudassir Wani Ahad, Barkatullah University, Bhopal
Mohd. Iqbal Khan, Barkatullah University, Bhopal

ABSTRACT

Indian has had a consumption driven growth since economic reforms began more than two decades back. The trinity of Liberalization, Privatization and Globalization (LPG) has definitely benefitted the country's socio-economic parameters. It is also true that a much higher growth has taken place in urban areas and within them, more specifically metropolitan or mega cities, where growth and opportunities have been the highest. Rural India has also achieved growth rates; though not as much as urban India. Among the backward states, the quartet of Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh (colloquially called by acronym BIMARU states; bimaru means sickly in Hindi, National Language of the country), comprising almost 40% of India's population have also shown growth but with a faster rate in the period 2007-2011 (eleventh five year plan) as compared to the rest of country. Among the mentioned four states, study of selective consumer durables in rural areas has been done of Madhya Pradesh and Rajasthan. Primary data was collected from two districts in these states and the results were analyzed. The study assumes significance because of similar conditions prevailing in African (excluding South Africa), former Indo-French areas (Vietnam, Cambodia and Laos) and the smaller South American countries, some of which are experiencing political stability, perhaps for the first time in modern era and citizens can experience security of life and livelihood.

India has always been a land of contradictions and enigma in case of economic development path and structure. Nothing seems to exemplify this than the skewed growth from primary to tertiary sector and fall in household asset percentage as per table 1 (year 2004-05 is currently being taken as the base year for macro-economic indicators by government of India, hence mentioned here). This is in spite of huge social spending made by federal and state governments every year through various schemes in rural India.

Table 1

Year	% share of agriculture sector in GDP	% share of service sector in GDP	Income quintile of bottom 60% population (in %)	Income quintile of top 40% population (%)
2004-05	18	60	27	73
[“How India Earns, Spends and Saves-Unmasking the Real India” (2010) Rajesh Shukla, Sage Publications, 1 st Edition]				